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FM THE SITUATION ROOM//TOHAK 31//

TO ADAMS/BARBIAN/RODMAN FOR THE SECRETARY

T O P S E C R E T SENSITIVE CONTAINS CODEWORD WH51229

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

TOHAK 31

TOP SECRET-SENSITIVE  
CONTAINS CODEWORD

JULY 12, 1975

MEMORANDUM FOR SECRETARY KISSINGER  
FROM: THE SITUATION ROOM  
SUBJECT: NOON NOTES

AFRICANS RESENTFUL OF SOVIET BASE, HIT SOMALI LEADER: RECENT DISCUSSIONS AMONG SENIOR OAU OFFICIALS INDICATE THAT THE BERBERA REVELATIONS ARE COMPLICATING SOVIET RELATIONS WITH AFRICA. THESE OFFICIALS ARE NOW CONVINCED THAT A SOVIET MISSILE FACILITY DOES INDEED EXIST AT BERBERA. SOMALI PRESIDENT SIAD HAS COME UNDER FIRE FOR ALLOWING HIMSELF AND HIS COUNTRY TO BE EXPLOITED. THEY COMMENTED THAT THE VIGOROUS AMERICAN REACTION TO THE SOVIET BUILDUP IS UNDERSTANDABLE, AND SO IS THE PLAN TO COUNTER WITH AN EXPANSION OF THE U.S. BASE ON DIEGO GARCIA. THE OFFICIALS ARE TALKING ABOUT AN OPEN CALL FOR A DISMANTLING OF THE SOVIET FACILITIES IN THE BERBERA AREA, BUT IT IS UNLIKELY THAT THEY CAN PERSUADE THE OAU TO GO THAT FAR. NEVERTHELESS, THEIR SENTIMENTS ARE PROBABLY SHARED BY OTHER AFRICANS AND MAY GIVE THE SOVIETS SOME PAUSE IN MAKING HEAVIER USE OF THE FACILITIES IN SOMALIA ANY TIME SOON.

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DOLLAR STRENGTH MAY FORESTALL OIL PRICE SWITCH: RECENT STRENGTH SHOWN BY THE DOLLAR MAY FORESTALL A SWITCH THIS FALL TO BASING OIL PRICES ON SPECIAL DRAWING RIGHTS, EVEN THOUGH THE MEMBERS OF OPEC STILL PROFESS AN INTENTION TO ADOPT THE SCHEME. IF THE DOLLAR CONTINUES TO APPRECIATE, OPEC COUNTRIES WILL INCREASE THEIR REVENUES BY STAYING WITH THE PRESENT PRICING SYSTEM, OVER AND ABOVE ANY GAIN FROM THE ANTICIPATED PRICE INCREASE IN OCTOBER.

EC REJECTS U.S. TRADE CREDITS PROPOSAL: THE EC HAS REJECTED THE LATEST U.S. OFFER IN TALKS WITH THE U.S. AND JAPAN ABOUT A "GENTLEMEN'S AGREEMENT" ON GRANTING CREDIT TO PURCHASERS OF THEIR EXPORTS. THE EC SAYS IT WILL NOT DISCUSS THE SUBJECT FURTHER UNTIL THE U.S. PRESENTS A NEW OFFER. AN EC COMMISSION OFFICIAL SAID THE U.S. OFFER AMOUNTED TO A BACKWARD STEP WHICH RETURNED THE TALKS TO WHERE THEY BEGAN 18 MONTHS AGO. SHE DESCRIBED THE EC AS UNITED AGAINST THE U.S. OFFER. AS A RESULT, SHE SAW LITTLE CHANCE OF PERSUADING THE EC TO EXERT PRESSURE ON FRANCE TO TAKE A MORE FLEXIBLE APPROACH.

SPAIN THREATENS BASES: SPAIN IS UPSET OVER THE U.S. REFUSAL TO ALLOW DELIVERY TO CUBA OF 70 VEHICLES MADE BY A U.S. SUBSIDIARY IN SPAIN. SPANISH OFFICIALS SAID THE U.S. REFUSAL COULD AFFECT SPANISH ATTITUDES ABOUT FUTURE AMERICAN INVESTMENT AND DAMAGE U.S.-SPANISH RELATIONS, PARTICULARLY DURING THE CURRENT NEGOTIATIONS ON U.S. BASES IN SPAIN.

ICELAND DRAFTS 200-MILE ZONE FOR FISHERIES: ICELAND IS DRAFTING LEGISLATION THAT WILL EXTEND TO 200 MILES OFFSHORE THE BOUNDARIES OF ITS ZONE WHERE FOREIGN FISHING IS CONTROLLED. THE REGULATION WILL GO INTO EFFECT ON OCTOBER 15 IF THE GOVERNMENT GIVES FINAL APPROVAL. INTELLIGENCE ANALYSTS HAD EXPECTED THAT ICELAND WOULD UNILATERALLY EXTEND ITS FISHING LIMITS SOME TIME THIS FALL, ABOUT THE TIME THE FISHERIES AGREEMENT WITH THE UK IS DUE TO EXPIRE. RECENT CONCESSIONS BY BOTH THE UK AND WEST GERMANY IN ANTICIPATION OF NEW NEGOTIATIONS MAY HAVE ENCOURAGED ICELAND TO PUT ITS MAXIMUM DEMAND ON RE-

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25X1 TORO NOW,

CHILEAN PRESIDENT CONSIDERING DISSOLUTION OF POLITICAL PARTIES:  
[REDACTED] CHILEAN PRESIDENT PINOCHET IS BEING  
PRESSED BY HIS ADVISERS TO DISSOLVE ALL POLITICAL PARTIES.  
THE OBVIOUS TARGET OF SUCH A MOVE IS THE CHRISTIAN DEMOCRATIC  
PARTY, THE MAJOR SOURCE OF OPPOSITION TO CONTINUED RULE BY THE  
MILITARY. THE GOVERNMENT AND THE CHRISTIAN DEMOCRATS HAVE AP-  
PROACHED THE BRINK BEFORE, BUT BOTH SIDES HAVE SHIED AWAY FROM  
AN OPEN FIGHT. PINOCHET MAY NOW BELIEVE THAT THE PARTY'S  
CRITICISMS OF THE GOVERNMENT WARRANT ITS DISSOLUTION.

REUTER REPORTS THAT COLONEL ERNEST MORGAN WAS FREED IN BEIRUT  
TODAY AND BROUGHT TO THE RESIDENCE OF PREMIER RASHID KARAMI IN THE  
PRESENCE OF JOURNALISTS.

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